

**BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

DOCKET NO. 2011-____-G

In the Matter of)	
)	
Application of Piedmont Natural Gas)	PETITION
Company, Inc. to Modify Rate Schedule 242)	

Piedmont Natural Gas Company, Inc. ("Piedmont" or the "Company"), through counsel and pursuant to South Carolina Code § 58-5-240 and Commission Rules 103-403 and 103-446, respectfully requests approval by the Public Service Commission of South Carolina ("Commission") of a limited modification of its Rate Schedule 242 (Small General Service – Motor Fuel) needed in order to adopt a rider mechanism to provide for the recovery of costs incurred by Piedmont for the delivery of compressed natural gas to motor fuel customers through Company owned and maintained facilities located on customer premises. The proposed limited changes to Rate Schedule 242 and the explanation for such changes are described herein. Clean and red-lined copies of Piedmont's proposed and current approved Rate Schedule 242 are attached hereto. Piedmont proposes that these tariff changes become effective with the first billing cycle of November, 2011. In support of its proposed tariff changes Piedmont respectfully shows to the Commission the following:

1. It is respectfully requested that any notices or other communications with respect to this Petition be sent to:

Jane Lewis-Raymond
Vice President & General Counsel
Piedmont Natural Gas Company, Inc.
Post Office Box 33068
Charlotte, NC 28233
Telephone: 704-731-4261

and

Scott M. Tyler
Moore & Van Allen PLLC
100 North Tryon Street, Suite 4700
Charlotte, NC 28202-4003
Telephone: 704-331-2463

2. Piedmont is incorporated under the laws of the state of North Carolina and is duly authorized by its Articles of Incorporation to engage in the business of transporting, distributing, and selling natural gas. It is duly domesticated and is engaged in conducting the business above-mentioned in the states of South Carolina, North Carolina, and Tennessee. Piedmont is a public utility under the laws of this State, and its public utility operations in South Carolina are subject to the jurisdiction of this Commission.

3. Piedmont seeks to add one provision to its Rate Schedule 242, Small General Service – Motor Fuel, in order to establish the applicability of a rider mechanism to service under that rate schedule where service is provided to customers utilizing Piedmont owned and maintained facilities placed at customer premises locations. This rider allows for the collection of additional costs associated with the purchase, operation and maintenance of Piedmont owned facilities at customer premises locations for the fueling of natural gas vehicles. This provision does not in any way alter the substantive manner in which service is provided to existing Customers under Rate Schedule 242. Rather, the proposed modification simply facilitates the provision of compressed natural gas vehicle refueling service at customer premises locations through Piedmont owned facilities.

4. Historically, service under Rate Schedule 242 has been provided at the Customer's Premises. Customers under this Rate Schedule typically maintain fleets of natural gas fueled vehicles, and have made the (significant) investment in natural gas compression facilities on their premises in order to fuel their vehicle fleet. Piedmont renders bills to these Customers each month based on separately metered Rate Schedule 242 service at rates

approved by the Commission. The rider proposed herein facilitates a variation on this historical arrangement by allowing Piedmont to offer service at customer premises locations through compression facilities owned and operated by Piedmont. Under this scenario, potential fleet customers are not required to bear the entire cost of the compression equipment on an up-front basis and instead are able to reap the benefits of using natural gas as a fleet motor fuel while paying for the compression equipment over time. In order to facilitate this arrangement, Piedmont requires the flexibility to assess these customers additional volumetric charges, in an amount up to an additional \$.50 per therm, in order to provide for the recovery of additional costs associated with the ownership, operation, and maintenance of such facilities.

5. Piedmont believes that the changes discussed herein are beneficial to its customers in that they will facilitate the provision of additional natural gas service under Rate Schedule 242 at customer owned premises at rates that reflect the reasonable cost of providing such service thereby allowing Piedmont to offer such service on a more widespread basis. The proposed modifications in no way change the character of service for current Rate Schedule 242 service provided at the Customer's Premises.

6. Because the proposed tariff modifications serve to increase the availability of economic and environmentally friendly natural gas as a motor vehicle fuel to the using and consuming public at rates that are just and reasonable, Piedmont submits the proposed addition of a rider to its Rate Schedule 242 is in the public interest and should be approved.

7. Piedmont requests that the modifications to Rate Schedule 242 proposed herein be made effective with the first billing cycle in November, 2011.

Respectfully submitted, this the 20th day of September, 2011.

Piedmont Natural Gas Company, Inc.

/s/ Scott M. Tyler

Scott M. Tyler

OF COUNSEL:

Moore & Van Allen PLLC
100 North Tryon Street, Suite 4700
Charlotte, NC 28202-4003
Telephone: 704-331-2463
scotttyler@mvalaw.com

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

VERIFICATION

Pia Powers, being duly sworn, deposes and says that she is Manager, Regulatory Affairs of Piedmont Natural Gas Company, Inc., that as such, she has read the foregoing Petition and knows the contents thereof; that the same are true of her own knowledge except as to those matters stated on information and belief and as to those she believes them to be true.

Pia Powers

Pia Powers

Mecklenburg County, North Carolina
Signed and sworn to before me this day by Pia Powers

Date: 9/15/2011 Sandra K. Hammond
Sandra K. Hammond, Notary Public



My commission expires: August 4, 2013

**RED-LINED
RATE SCHEDULE 242**

RATE SCHEDULE 242
SMALL GENERAL SERVICE – MOTOR FUEL

Applicability

Gas service under this rate schedule shall be separately metered and is available in the area served by the Company in the State of South Carolina to customers for the consumption and/or resale of compressed natural gas as a motor fuel.

Gas service under this Rate Schedule shall be metered at the Customer's Premises, or at the Company's Premises for purposes of providing public access to compressed natural gas filling stations.

Rates and Charges

The rates to be charged for gas service pursuant to this Rate Schedule are set forth on the Company's "Rates and Charges" tariff sheet and may be viewed at the Company's Web Site at www.piedmontng.com. A copy of the "Rates and Charges" tariff sheet is also on file with the Public Service Commission of South Carolina (the "Commission") and at each of the district offices of the Company. Rates are subject to adjustment from time to time with the approval of the Commission. The rates on file with the Commission shall prevail in the event of conflict with those rates viewed on the Company's Web Site.

Highway Use Tax

The rates reflected on the Company's "Rates and Charges" tariff sheet do not include applicable Federal, State and/or local highway motor fuel use taxes and fees. Bills rendered under this rate schedule will include such taxes and fees.

Payment of Bills

Bills are net and due upon receipt. Bills rendered for service provided at the Customer's Premises become past due 15 days after bill date. Bills rendered for service provided at the Company's Premises shall be paid at the time of service with a valid credit or debit card accepted by the Company.

Late Payment Charge

For service provided at the Customer's Premises, a late payment charge of 1½% per month will be applied to all balances not paid prior to the next month's billing date.

Service Interruption and Curtailment

Gas service under this Rate Schedule is subject to the provisions contained with Rate Schedule 206, "Schedule for Limiting and Curtailing Service".

Applicable Documents Defining Obligations of the Company and Its Customers

Service under this rate schedule is subject to the Rules and Regulations of the Public Service Commission of South Carolina ("Commission Rules") and to the Company's Service Regulations. Among other things, the Commission Rules and the Company's Service

Issued by Thomas E. Skains, Chairman, President and CEO
Issued to comply with authority granted by
The Public Service Commission of South Carolina
Docket No.

Issued: September 2027, 20110

Effective: November 1, 20110

Regulations permit the interruption or curtailment of service under certain conditions, including events of *force majeure* and operating conditions. A copy of the Commission's Rules may be obtained from the Public Service Commission of South Carolina, 101 Executive Center Dr., Columbia, SC 29210, upon payment of the applicable fee. The Company's Service Regulations may be obtained at each of the district offices of the Company. Unofficial copies of the Company's Service Regulations are available at the Company's Web Site at www.piedmontng.com.

Rider

Service to Customers under this Rate Schedule using Company owned and maintained compressor facilities shall be billed at a maximum rate of \$0.50 per therm, in addition to the base rate for Service under this Rate Schedule 242 as set forth on the Company's "Rates and Charges" tariff sheet.

Issued by Thomas E. Skains, Chairman, President and CEO
Issued to comply with authority granted by
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Issued: September 20~~27~~, 201~~1~~⁰

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**CLEAN
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